

State of Alaska FY2005 Governor's Operating Budget

Department of Health and Social Services Adult Public Assistance Component Budget Summary

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Component: Adult Public Assistance

Contribution to Department's Mission

Provide financial assistance for basic living expenses to needy aged, blind or disabled individuals

Core Services

- In FY2005, the Adult Public Assistance Program (APA) will provide financial assistance and access to medical care for 5,360 elderly and 11,662 disabled Alaskans. The program was created to supplement Social Security disability benefits and provides the recipient with the income support needed to remain as independent as possible in the community.
- To be eligible for APA, a low-income individual must be over 64 or at least 18 years of age, blind, or diagnosed by a physician as permanently disabled, chronically ill, or terminally ill.
- Each month benefits are issued to APA clients in an amount equal to the maximum supplemental payment scheduled less adjustment for any income the individual reports.

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$57,161,400	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

- The APA population is expected to continue to grow at 4.0% from 16,293 in FY2004 to 16,945 in FY2005. This growth appears to be a combination of increased state population, improved medical technology, and an aging "baby boom" cohort. Some recipients experience permanent disabilities and are likely to rely on the APA program for their entire adult lives. Continued APA funding provides critical financial assistance enabling them to live with dignity in the community.
- Within the APA population there are some individuals who, despite their disability, would like to work. However, lack of workplace accommodations, financial disincentives, and, most notably, fear of the loss of Medicaid act as barriers to the goal of employment. Implementing the Working Disabled Medicaid option allows individuals whose earnings make them ineligible for traditional Medicaid to "buy-in" to the program by paying a premium.
- Enhanced services to APA recipients who wish to work, coupled with ongoing efforts to improve service delivery to working clients, are expanding the capacity of the APA program to promote employment and self-sufficiency.
- DPA continues to participate in the federally funded Alaska Works Project, a five-year initiative designed to address the major barriers that keep people with disabilities from success in the workplace. The project relies on a coordinated and innovative service delivery system that eliminates barriers preventing Alaskans with physical and mental disabilities from becoming employed.

Significant Changes in Results to be Delivered in FY2005

- There is a general fund increment to support formula growth in the APA program. The total FY2005 formula increment is comprised of the FY2004 deficit of about \$400.0 and the projected formula increase for FY2005 caseload growth of \$1.8 million.
- A new medical screening process implemented in September 2003 and stricter SSI application criteria will result in a reduction in Interim Assistance approvals and expenditures.
- Individuals who apply for APA will be eligible for benefits effective the month of federal SSI approval. Retroactive APA benefits to the date of their APA application will be eliminated.
- The FY2005 budget changes APA payment amounts to recipients who are assisted living home residents. This will adjust the way an individual's cost of care is financed but it will not reduce services.

Major Component Accomplishments in 2003

- Implemented changes in September 2003 to reduce the number of applications that are approved for Interim Assistance (IA) in the Adult Public Assistance program by establishing a more rigorous medical screening of applicants. Applicants are also required to complete the application process for federal SSI benefits before Interim Assistance benefits are approved.
- Utilization of enhanced systems to gather and analyze data on APA recipients and their service needs
- Ongoing participation in the Alaska Works Project and other state initiatives aimed at helping persons with disabilities go to work
- 192 APA households obtained employment and are receiving Medicaid through the Working Disabled Medicaid Buy-In program

Statutory and Regulatory Authority

AS 47.25.430 - 615 Adult Public Assistance
7 AAC 40

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Adult Public Assistance Component Financial Summary

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	0.0	0.0	0.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	56,667.6	57,820.2	57,161.4
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	56,667.6	57,820.2	57,161.4
Funding Sources:			
1002 Federal Receipts	1,019.0	734.0	734.0
1004 General Fund Receipts	52,036.3	53,383.9	52,635.1
1007 Inter-Agency Receipts	3,612.3	3,702.3	3,792.3
Funding Totals	56,667.6	57,820.2	57,161.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
<u>Unrestricted Revenues</u>				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
<u>Restricted Revenues</u>				
Federal Receipts	51010	1,019.0	734.0	734.0
Interagency Receipts	51015	3,612.3	3,702.3	3,792.3
Restricted Total		4,631.3	4,436.3	4,526.3
Total Estimated Revenues		4,631.3	4,436.3	4,526.3

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	53,383.9	734.0	3,702.3	57,820.2
Adjustments which will continue current level of service:				
-Assisted Living Home Residents' Subsidies transferred to BH Svcs, Seriously Mentally Ill component	-395.8	0.0	0.0	-395.8
-Assisted Living Home Residents' Subsidies transferred to SDS Medicaid & SDS Protection, Comm Svcs & Admin	-1,236.5	0.0	0.0	-1,236.5
Proposed budget decreases:				
-Refinance the Cost for Individuals Residing in Assisted Living Facilities	-963.5	0.0	0.0	-963.5
-Align APA Payments with Date of SSI Approval	-267.0	0.0	0.0	-267.0
Proposed budget increases:				
-Formula APA Caseload	2,114.0	0.0	90.0	2,204.0
FY2005 Governor	52,635.1	734.0	3,792.3	57,161.4